

Message Text

CONFIDENTIAL

PAGE 01 PARIS 01480 171930Z

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ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 EURE-00 SS-20 NSC-10 FEA-02 INT-08

COME-00 TRSE-00 EB-11 L-03 H-03 IO-14 NEA-10 CIAE-00

DODE-00 INR-10 NSAE-00 PA-04 RSC-01 USIA-15 PRS-01

SPC-03 AF-10 ARA-16 DRC-01 /179 W

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P R 171733Z JAN 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 6153

INFO AMEMBSSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS UNN

AMMBASSY OSLO 2169

AMEMBASSY OTTAWA

USMISSION NATO

C O N F I D E N T I A L PARIS 1480

DEPT ALSO FOR T/IEP

E.O. 11652: &\$

5-& : ENRG, EC, FR

SUBJECT: VIEWS OF FRENCH OFFICIAL ON FEBRUARY 11 ENERGY CONFERENCE

SUMMARY: FREYCHE, ECONOMIC AND FINANCIAL ADVISOR TO
PRESIDENT POMPIDU, HAS GIVEN US INDICATION OF THINKING IN
FRENCH ADMINISTRATION ON FEBRUARY 11 ENERGY CONFERENCE.
HE DENIED FRANCE WAS TRYING TO SABOTAGE CONFERENCE AND SAID
FRANCE'S RESERVATIONS WERE RELATED ONLY TO PROCEDURES WHICH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PARIS 01480 171930Z

MIGHT HAVE EFFECT OF PROVOKING ARAB STATES. HE SAID U.S.

PROPOSAL WOULD BE EASIER FOR FRANCE TO ACCEPT IF THERE WERE PRELIMINARY MEETINGS AT A TECHNICAL LEVEL AND REPRESENTATIVES OF LDC CONSUMING COUNTRIES COULD BE INCLUDED IN MEETINGS OF CONSUMING COUNTRIES. HE WAS CAREFUL TO EMPHASIZE THAT HE WAS NOT SAYING THAT, IF THESE MODIFICATIONS WERE MADE, FRANCE WOULD ACCEPT THE INVITATION. THE FRENCH DECISION WOULD BE MADE ONLY AFTER DISCUSSION WITHIN EC HAD BEEN COMPLETED.

END SUMMARY.

1. FREYCHE, STRESSING THAT HE WAS SPEAKING INFORMALLY AND NOT GIVING THE OFFICIAL VIEWS OF PRESIDENT POMIDOU OR THE GOF, HAS DESCRIBED FOR ECON/COM MIN SOME OF THE THINKING WHICH IS GOING ON AT SENIOR LEVELS OF THE FRENCH ADMINISTRATION ON THE FEBRUARY 11 ENERGY CONFERENCE.

2. FREYCHE SAID HE WAS DISTURBED AT PRESS COMMENT INDICATING THAT FRANCE PREFERRED TO PURSUE A NATIONALISTIC, GO-IT-ALONE POLICY IN RESPONSE TO THE ENERGY CRISIS, AND WAS TRYING TO SABOTAGE THE WASHINGTON MEETING. ON THE CONTRARY, HE SAID, FRANCE, ITALY AND JAPAN WERE THE THREE COUNTRIES WHICH WOULD BE THE MOST BADLY HURT AND WHOSE BALANCE OF PAYMENTS WOULD SUFFER THE MOST AS A CONSEQUENCE OF THE INCREASE IN OIL PRICES. THEREFORE, THE GOF HAD EVERY INTEREST IN WORKING TOGETHER TO FIND AN INTERNATIONAL SOLUTION OF THIS PROBLEM. FRANCE'S RESERVATIONS ABOUT THE WASHINGTON CONFERENCE ARE NOT DIRECTED AT THE PRINCIPLE OF INTERNATIONAL COOPERATION IN THIS AREA BUT AT SOME OF THE PROCEDURES WHICH HAVE BEEN PROPOSED.

3. FIRST, FREYCHE SAID, THE GOF HAS DOUBTS ABOUT THE LEVEL OF THE INITIAL MEETING. CALLING THIS MEETING AT THE FOREIGN MINISTER LEVEL, PARTICULARLY SINCE MANY OF THE SUBJECTS TO BE DISCUSSED ARE HIGHLY TECHNICAL AND TRANSCEND THE RESPONSIBILITY AND EXPERTISE OF FOREIGN MINISTERS, WILL GIVE THE MEETING A HIGHLY POLITICAL CHARACTER, AND THUS RISKS GIVING THE PRODUCING COUNTRIES THE IMPRESSION THAT THE OBJECT IS TO CREATE A HOSTILE BLOCK AGAINST THEM. FOR THIS REASON, FREYCHE SAID, THERE WAS A FEELING IN THE FRENCH ADMINISTRATION THAT A PRELIMINARY MEETING OR MEETINGS AT A TECHNICAL LEVEL MIGHT BE MORE PRUDENT (SEE ALSO PARIS 974).

CONFIDENTIAL

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PAGE 03 PARIS 01480 171930Z

4. SECOND, FREYCHE SAID, THE FRENCH BELIEVED THAT THE PROVOCATIVE CHARACTER OF THE FIRST MEETING, AT WHATEVER LEVEL IT WAS HELD, COULD BE REDUCED IF REPRESENTATIVES OF LDC CONSUMING COUNTRIES WERE INCLUDED. HE SUGGESTED BRAZIL, ZAIRE AND INDIA BUT STRESSED THAT THESE WERE ONLY EXAMPLES.

5. A THIRD REFLECTION WHICH THE U.S. PROPOSAL HAD INSPIRED

AMONG FRENCH OFFICIALS, FREYCHESAID, WAS THAT, BECAUSE OF THE PAST AND PROBABLE FUTURE ROLE OF THE OECD IN COORDINATING VIEWS OF INDUSTRIAL NATIONS ON ENERGY PROBLEMS, IT MIGHT HAVE BEEN MORE APPROPRIATE TO CALL THE INITIAL MEETING IN PARIS RATHER THAN IN WASHINGTON, BUT HE HASTENED TO ADD THAT THIS WAS ONLY A MINOR CONSIDERATION IN FRENCH THINKING.

6. FREYCHESAID THAT IF THESE MODIFICATIONS, PARTICULARLY THE FIRST TWO, WERE MADE IN THE U.S. PROPOSAL, THIS WOULD MAKE IT EASIER FOR THE GOF TO ACCEPT THE PRESIDENT'S INVITATION. BUT HE WAS CAREFUL TO EMPHASIZE THAT HE WAS NOT SAYING, AND COULD NOT SAY, THAT IF THESE MODIFICATIONS WERE MADE, THEN FRANCE WOULD ACCEPT THE INVITATION. HE SAID THE FRENCH DECISION HAD NOT BEEN REACHED YET AND WOULD ONLY BE REACHED AFTER THE DISCUSSIONS IN THE EC LOOKING TOWARD A COMMON EC POSITION HAD BEEN COMPLETED.

7. FREYCHE ALSO TOOK EXCEPTION TO PRESS COMMENTS INDICATING THAT FRANCE WAS TRYING TO TORPEDO THE INTERNATIONAL OIL COMPANIES. HE SAID THAT, ON THE CONTRARY, THE FRENCH CONTINUE TO DEAL SCRUPULOUSLY THROUGH THE OIL COMPANIES IN THEIR PROCUREMENT OF CRUDE. FOR EXAMPLE, THE FRENCH HAD NOT SET UP ANY SPECIAL PURCHASING GROUP TO BUY THE OIL CONTRACTED FOR IN THE RECENTLY ANNOUNCED AGREEMENT WITH SAUDI ARABIA. THIS OIL WOULD BE BROUGHT TO FRANCE THROUGH THE CHANNELS OF THE INTERNATIONAL MAJORS, INCLUDING CFP. FREYCHE ADDED THAT THE OIL BOUGHT UNDER THIS DEAL WAS EXCLUSIVELY PARTICIPATION OIL. FRANCE HAD NO INTENTION OF TRYING TO "MUSCLE IN" ON THE TRADITIONAL POSITION OF THE MAJORS. STONE

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TAGS: ENRG, FR, US, EC
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